THE HONOURABLE SRI JUSTICE L.NARASIMHA REDDY

WRIT PETITION NO.24531 OF 2005

DATED 20.12.2005

Between:

P.Rama Rao … Petitioner

And

The State Bank of India … Respondent.

Counsel for the petitioner: Sri K.L.N.Rao,Advocate.

Counsel for the respondent: Ms.V.Uma Devi.

THE HONOURABLE SRI JUSTICE L.NARASIMHA REDDY

WRIT PETITION NO.24531 OF 2005

ORDER:

The petitioner was employed in the State Bank of India. He took voluntary retirement with effect from 26.6.1990. A sum of Rs.1,86,603/- accrued to him, towards Provident Fund. Vide proceedings dated 20.5.1992, the Regional Office of the Bank informed the Branch Manager to effect deduction of a sum of Rs.75,000/- towards dues from House Building Loan and another sum of Rs.44,431/- towards salary and allowances, paid in excess, to the petitioner.

Petitioner filed W.P.No.20409 of 1992 before this Court challenging the communication dated 20.5.1992. The writ petition was disposed of on 6.2.2004. The fact that the petitioner had since repaid entire amount of Rs.75,000/- was taken note

of. However, no finding was recorded as to the entitlement of the Bank to deduct a sum of Rs.44,431/-. A direction was issued to the Bank to repay the amount deducted towards repayment of House Building Loan with 12% interest. Contempt Case No.1 of 2005 was filed alleging non-compliance with the directions issued by this Court in the writ petition. The contempt case was closed on 28.3.2005, leaving it open to the petitioner to file fresh writ petition. This writ petition is filed seeking a direction to the respondents to pay a sum of Rs.44,431/- together with interest @ 12% per annum.

Learned counsel for the petitioner submits that there was no justification for the respondents in deducting the said sum. He contends that during the pendency of W.P.No.20409 of 1993, the petitioner repaid the instalments of House Building Loan and the amount of Rs.75,000/- which was deducted earlier was refunded to the petitioner.

In the counter affidavit filed by the respondents, it is stated that the petitioner remained absent without any leave from 21.8.1989 to 31.3.1990, but was paid salary by mistake. It is stated that after sanctioning the leave that remained to the credit of the petitioner, the period was treated as absence without leave and accordingly, a sum of Rs.44,431/- was deducted.

Heard the learned counsel for the petitioner and the learned Standing Counsel for respondents.

The controversy in this writ petition is as to whether the respondents were entitled to deduct a sum of Rs.44,431/- from the Provident Fund of the petitioner. Normally, the Provident Fund payable to an employee is operated by the concerned authority under the Employees Provident Fund and Miscellaneous Provisions Act. In respect of the employees of the Bank, a separate arrangement is made under which, the provident fund is made available to the employees, by the Bank itself. A settlement was entered into between the bank and its employees where under the Bank was empowered to effect deductions of any amount due to it from the Provident Fund, payable to the employee. The only condition is that such deduction must not exceed the contribution made by the Bank.

The petitioner was put on notice way back on 18.9.1992 as to the basis for deducting a sum of Rs.44,431/-. Even now, he does not dispute the fact that he remained absent from 21.8.1989 to 31.3.1990 without any leave. He does not even

assert that he was entitled to the sanction of any leave, for that period.

The learned counsel for the petitioner placed reliance upon the settlement where under certain categories of loans were indicated in the context of deduction of the amounts from the Provident Fund. A perusal of the same discloses that the list is prepared only in the context of categories of loans, that can be adjusted from the Provident Fund. The right of the Bank under Rule 26, enabling it to deduct “any sum due to it” remains intact.

In that view of the matter, no exception can be taken to the action of the respondent in deducting a sum of Rs.44,431/- towards salary and allowances, paid in excess, to the petitioner. A sum of Rs.75,000/- which was initially deducted towards the recovery of House Building Loan was already paid to the petitioner, on his repayment of entire loan. Hence, the writ petition is dismissed. There shall be no order as to costs.

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20.12.2005

mdaa.